



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 2, 2006

Conrad J. Pugh
1690 East Cannes Way
Salt Lake City, Utah 84121

Subject: DOGM Receipt of Reclamation Surety, \$2500.00 and Reclamation Contract Requirements, Conrad J. Pugh, King 1 Mine, S/027/078, Millard County, Utah

Dear Mr. Pugh:

Due to a Memorandum Agreement between SITLA and DOGM, the administration of reclamation surety bonds has been transferred to the Division. On July 18, 2006, the Division received a check from SITLA in the amount of \$2500.00 that served as SITLA reclamation surety for the King I mine site. **In order to apply this surety to your small mining operation (SMO), it is necessary to complete the reclamation surety contract (form MR-RC) immediately.**

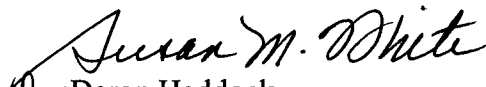
Please contact Minerals Surety Coordinator, Beth Ericksen at 801-538-5318, so the contract can be emailed to you. This contract shall be signed by an authorized person of the company, notarized and returned in its original form to the Division, attention Minerals Regulatory Program.

On June 8, 2006, a Division letter was mailed to all small mine operators requiring a reclamation surety bond for small mines within the state of Utah. This letter has a deadline of December 8, 2006 to meet the surety bond requirements. Additional reclamation surety bond requirements may be necessary. Please contact the reclamation specialist for Millard County, Tom Munson, 801-538-5321, to obtain assistance in the determination of potential additional surety and permitting requirements.

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Conrad J. Pugh
S/027/078
August 2, 2006

If you have any questions or require further discussion, please contact any of the mentioned persons in this letter or myself at 801-538-5325.

Sincerely,


For Daron Haddock
Permit Supervisor
Minerals Regulatory Program

SMW:BE;be
Enc: copy of \$2500.00 check
Cc: Beth Ericksen, OGM
Tom Munson, OGM
Daron Haddock, OGM
P:\GROUPS\MINERALS\WP\M027-Millard\S0270078-King1\final\SITLAMoniesrecvd.doc

STATE OF UTAH

TO: EDWARD T. ALTER, UTAH STATE TREASURER
DIVISION OF FINANCE, 2110 STATE OFFICE BLDG, SALT LAKE CITY, UTAH 84114
STATE VENDORS



WARRANT NUMBER

F 6626368

PAYABLE ON 31:289
UTAH STATE TREASURER
SALT LAKE CITY, UTAH 84114 1240

PAY TWO THOUSAND FIVE HUNDRED DOLLARS AND 00 CENTS

00ORFD
TO THE ORDER OF

VOID ONE YEAR FROM DATE

MONTH	DAY	YEAR
06	29	06

PAY THIS AMOUNT
\$ *****2,500.00

DIVISION OF OIL, GAS, & MINING
1594 WEST NORTH TEMPLE
SUITE 1210
SALT LAKE CITY UT 84114--5801

Richard Beckstead
DIVISION OF FINANCE



DETACH BEFORE CASHING
STATE OF UTAH, Division of Finance
2110 State Office Building, Salt Lake City UT 84114

BY VOUCHER #	INVOICE #	DESCRIPTION	AMOUNT
50 6TLA0101914	3/3/06 MNS	ML 44287 - TRANSFER BOND	2,500.00

J. Conrad Pugh
Permit #: S10271078
ML# 44287

RECEIVED
JUL 18 2006
Div. of Oil, Gas & Mining